

**CONDITIONS OF APPROVAL FOR THE APPLICATION
FOR PERMIT TO DRILL**

POD Name: Lottery POD
Lease No: WYW138136
Location: T.50N R75W Section: 3,4,5,8,9
Operator: Yates Petroleum

**A COPY OF THESE CONDITIONS OF APPROVAL MUST BE FURNISHED TO YOUR
FIELD
REPRESENTATIVE**

Government Contacts

Field Office: Buffalo Field Office
Address: 1425 Fort Street
Buffalo, Wyoming 82834

Office Telephone Number: 307-684-1100

After hours numbers:

Petroleum Engineer: Mike Worden Home Telephone: 307-217-2995
Petroleum Engineer: Dane Geyer Home Telephone: 307 620-0130

General Conditions of Approval

1. Approval of this APD does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease that would entitle the applicant to conduct operations thereon. In addition, approval of this APD does not imply that the operator has legal access to the drilling location. When crossing private surface 43 CFR 3814 regulations must be complied with and when crossing public surface off-lease the operator must have an approved rights-of-way.
2. This APD is valid for two year from the date of approval or until the oil and gas lease expires/terminates, whichever occurs first. If this well intends to earn a lease extension, diligent operations (actual drilling) must be in progress over the lease expiration date, advance lease rentals must have been paid, and a letter stating drilling operations were in progress must be submitted to this office no later than five days past the expiration date. If the APD terminates, any surface disturbance created under the application must be reclaimed according to an approved plan.
3. All applicable local, state and/or federal laws, regulations, and/or statutes must be complied with.

4. A complete copy of the approved APD must be at the drill site during the construction of the roads and drill pad, the drilling of the well, and the completion of the well.
5. The spud date will be reported orally to the Authorized Officer 24 HOURS BEFORE SPUDDING, unless otherwise required in site specific conditions of approval.
6. Verbal notification shall be given to the Authorized Officer at least 24 hours before formation tests, BOP tests, running and cementing casing, and drilling over lease expiration dates.
7. A progress report must be filed a minimum of once a month starting with the month the well was spud and continuing until the well is completed. The report must be filed by the 25th of each month on a Sundry Notice (Form 3160-5). The report will include the spud date, casing information such as size, grade, weight, hole size, and setting depth, amount and type of cement used, top of cement, depth of cementing tools, casing test method, intervals tested, perforated, acidized, fractured and results obtained and the dates all work done.

In the event abandonment of the hole is desired, an oral request may be granted by this office but must be timely followed within 5 days with a "Notice of Intention to Abandon" (Form 3160-5). The "Subsequent Report of Abandonment" (Form 3160-5) must be submitted within 30 days after the actual plugging of the well bore, reporting where the plugs were placed, and the current status of the surface restoration. If surface restoration has not been completed at that time, a follow-up report on Form 3160-5 should be filed when all surface restoration work has been completed and the location is considered ready for final inspection. Attach to this sundry notice a landowner acceptance of reclamation if the location is on private surface.

Whether the well is completed as a dry hole or as a producer, two copy of all logs run, core descriptions, core analysis, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations will be filed with Form 3160-4. A gamma ray log shall be run from T.D. to ground surface.

8. The operator is responsible for informing all persons associated with this project that they shall be subject to prosecution for damaging, altering, excavating or removing any archaeological, historical, or vertebrate fossil objects on site. If archaeological, historical, or vertebrate fossil materials are discovered, the operator is to suspend all operations that further disturb such materials and immediately contact the Authorized Officer. Operations are not to resume until written authorization to proceed is issued by the Authorized Officer.

Within five (5) working days, the Authorized Officer will evaluate the discovery and inform the operator of actions that will be necessary to prevent loss of significant cultural or scientific values.

The operator is responsible for the cost of any mitigation required by the Authorized Officer. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, the operator will be allowed to resume operations.

9. The operator shall be responsible for the prevention and suppression of fires on public lands caused by its employees, contractors or subcontractors. During conditions of extreme fire danger, surface use operations may be limited or suspended in specific areas.
10. All survey monuments found within the area of operations shall be protected. Survey monuments include, but are not limited to: General Land Office and Bureau of Land Management Cadastral Survey Corners, reference corners, witness points, U. S. Coast and Geodetic benchmarks and triangulation stations, military control monuments, and recognizable civil (both public and private) survey monuments. In the event of obliteration or disturbance of any survey monuments, the incident shall be reported in writing to the Authorized Officer.
11. If any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.
12. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever first occurs, without the prior written approval of the authorized officer. If gas is vented or flared without approval beyond the test period authorized above, you may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted. You shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

See attached Surface Use Conditions of Approval (COA)

See attached Drilling Program Conditions of Approval (COA)

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Buffalo Field Office
Buffalo, Wyoming
SURFACE USE
CONDITIONS OF APPROVAL

POD Name: Lottery

Operator: Yates Petroleum Corp.

List of Wells:

	Well Name	Well #	Qtr/Qtr	Sec	TWP	RNG	Lease #
1	LOTTERY CS	1*	NENE	3	50N	75W	WYW138136
2	LOTTERY CS	2	NENW	3	50N	75W	WYW138136
3	LOTTERY CS	3	SWNW	3	50N	75W	WYW138136
4	LOTTERY CS	4	SWNE	3	50N	75W	WYW138136
5	LOTTERY CS	5	NENE	4	50N	75W	WYW138136
6	LOTTERY CS	6	NENW	4	50N	75W	WYW138136
7	LOTTERY CS	7	SWNE	4	50N	75W	WYW138136
8	LOTTERY CS	10	NENE	8	50N	75W	WYW138136
9	LOTTERY CS	12	SWNW	9	50N	75W	WYW138136
10	LOTTERY CS COM	8	NENE	5	50N	75W	WYW138136
11	LOTTERY CS FEDERAL	9	NESE	5	50N	75W	WYW138136
12	LOTTERY CS FEDERAL	11	NENW	9	50N	75W	WYW138136
13	LOTTERY CS FEDERAL COM	13	SWNE	9	50N	75W	WYW138136

List of Impoundments:

	IMPOUNDMENT Name / Number	Qtr/Qtr	Section	TWP	RNG	Lease #
1	Last Shot	SWNE	9	50N	75W	WYW138136
2	Spring Fever	NWNE	5	50N	75W	WYW138136
3	Tucked In	NENE	5	50N	75W	WYW138136
4	JDS	NWNW	4	50N	75W	WYW138136
5	Jet Stream (Chassel)	SWNW	4	50N	75W	FEE
6	Steeler	NENE	4	50N	75W	WYW138136
7	Sidearm (existing)	NESW	3	50N	75W	WYW138136
8	Fast Ball	SENE	3	50N	75W	WYW138136
9	Finished (existing) (Lone Cedar)	SWSE	3	50N	75W	WYW162026
10	Curve	NESE	3	50N	75W	WYW162026
11	Slider	NWSE	3	50N	75W	WYW138136
12	Underhand (existing)	SWNE	3	50N	75W	WYW138136
13	Knuckle	NWNE	3	50N	75W	WYW138136
14	Split Finger (existing)	NENE	3	50N	75W	WYW138136
15	Tough Stuff	SWSE	33	51N	75W	WYW138136

I Programmatic mitigation measures identified in the PRB FEIS ROD

Programmatic mitigation measures are those, determined through analysis, which may be appropriate to apply at the time of APD approval if site specific conditions warrant. These mitigation measures can be applied by BLM, as determined necessary at the site-specific NEPA APD stage, as COAs and will be in addition to stipulations applied at the time of lease issuance and any standard COA.

Groundwater

1. In order to address the potential impacts from infiltration on shallow ground water, the Wyoming DEQ has developed a guidance document, "Compliance Monitoring for Ground Water Protection Beneath Unlined Coalbed Methane Produced Water Impoundments" (June 14, 2004) which can be accessed on their website. This guidance document became effective August 1, 2004. For WYPDES permits received by DEQ after the August 1st effective date, the BLM will require that operators comply with the latest DEQ standards and monitoring guidance.

Surface Water

1. Channel Crossings:
 - a) Channel crossings by road and pipelines will be constructed perpendicular to flow. Culverts will be installed at appropriate locations for streams and channels crossed by roads as specified in the BLM Manual 9112-Bridges and Major Culverts and Manual 9113-Roads. Streams will be crossed perpendicular to flow, where possible, and all stream crossing structures will be designed to carry the 25-year discharge event or other capacities as directed by the BLM.
 - b) Channel crossings by pipelines will be constructed so that the pipe is buried at least four feet below the channel bottom.
2. Low water crossings will be constructed at original streambed elevation in a manner that will prevent any blockage or restriction of the existing channel. Material removed will be stockpiled for use in reclamation of the crossings.
3. The operator will supply a copy of the complete approved SW-4, SW-3, or SW-CBNG permits to BLM as they are issued by WSEO for impoundments.

Soils

1. The Companies, on a case by case basis depending upon water and soil characteristics, will test sediments deposited in impoundments before reclaiming the impoundments. Tests will include the standard suite of cations, ions, and nutrients that will be monitored in surface water testing and any trace metals found in the CBM discharges at concentrations exceeding detectable limits.

Wetland/Riparian

1. Power line corridors will avoid wetlands, to the extent possible, in order to reduce the chance of waterfowl hitting the lines. Where avoidance can't occur, the minimum number of poles necessary to cross the area will be used.
2. No waste material will be deposited below high water lines in riparian areas, flood plains, or in natural drainage ways.
3. Disturbed channels will be re-shaped to their approximate original configuration or stable geomorphological configuration and properly stabilized.
4. Reclamation of disturbed wetland/riparian areas will begin immediately after project activities are complete.

Wildlife

1. For any surface-disturbing activities proposed in sagebrush shrublands, the Companies will conduct clearance surveys for sage grouse breeding activity during the sage grouse's breeding season before initiating the activities. The surveys must encompass all sagebrush shrublands within 0.5 mile of the proposed activities.
3. The Companies will construct power lines to minimize the potential for raptor collisions with the lines. Potential modifications include burying the lines, avoiding areas of high avian use (for example, wetlands, prairie dog towns, and grouse leks), and increasing the visibility of the individual conductors.
4. The Companies will locate aboveground power lines, where practical, at least 0.5 mile from any sage grouse breeding or nesting grounds to prevent raptor predation and sage grouse collision with the conductors. Power poles within 0.5 mile of any sage grouse breeding ground will be raptor-proofed to prevent raptors from perching on the poles.
5. The Companies will limit the construction of aboveground power lines near streams, water bodies, and wetlands to minimize the potential for waterfowl colliding with power lines.
6. All stock tanks shall include a ramp to enable trapped small birds and mammals to escape. See Idaho BLM Technical Bulletin 89-4 entitled Wildlife Watering and Escape Ramps on Livestock Water Developments: Suggestions and Recommendations.

Threatened, Endangered, or Sensitive Species

Bald Eagle

1. Special habitats for raptors, including wintering bald eagles, will be identified and considered during the review of Sundry Notices.

Black-footed Ferret

1. Prairie dog colonies will be avoided wherever possible.
2. If any black-footed ferrets are located, the USFWS will be consulted. Absolutely no disturbance will be allowed within prairie dog colonies inhabited by black-footed ferrets.

Mountain Plover

1. Outside of occupied black-tailed prairie dog colonies, a mountain plover nesting survey following U.S. Fish and Wildlife Service protocol is encouraged prior to construction initiation, as project modifications can be made if necessary to protect nesting plovers and natural gas production. If requested in writing, then authorization may be granted for construction activities to occur between August 1 and March 15, outside the mountain plover breeding season. A mountain plover nesting survey following U.S. Fish and Wildlife Service protocol shall be conducted during the first available survey period (May 1 — June 15). Additional measures such as monitoring and activity restrictions may be applied if mountain plovers are documented.
2. A disturbance-free buffer zone of 0.25 mile will be established around all mountain plover nesting locations between March 15 and July 31.
3. Project-related features that encourage or enhance the hunting efficiency of predators of mountain plover will not be constructed within ¼ mile of known mountain plover nest sites.
4. Construction of ancillary facilities (for example, compressor stations, processing plants) will not be

located within ½ mile of known nesting areas. The threats of vehicle collision to adult plovers and their broods will be minimized, especially within breeding aggregation areas.

5. Work schedules and shift changes will be set to avoid the periods from 30 minutes before to 30 minutes after sunrise and sunset during June and July, when mountain plovers and other wildlife are most active.
6. Creation of hunting perches or nest sites for avian predators within 0.5 mile of identified nesting areas will be avoided by burying power lines, using the lowest possible structures for fences and other structures and by incorporating perch-inhibiting devices into their design.

Visual Resources

1. The Companies will mount lights at compressor stations and other facilities on a pole or building and direct them downward to illuminate key areas within the facility while minimizing the amount of light projected outside the facility.

Noise

1. Noise mufflers will be installed on the exhaust of compressor engines to reduce the exhaust noise.

Where noise impacts to existing sensitive receptors are an issue, noise levels will be required to be no greater than 55 decibels measured at a distance of one-quarter mile from the appropriate booster (field) compressor. When background noise exceeds 55dBA, noise levels will be no greater than 5dBA above background. This may require the installation of electrical compressor motors at these locations.

Air Quality

1. During construction, emissions of particulate matter from well pad and resource road construction will be minimized by application of water, or other dust suppressants, with at least 50 percent control efficiency. Roads and well locations constructed on soils susceptible to wind erosion could be appropriately surfaced or otherwise stabilized to reduce the amount of fugitive dust generated by traffic or other activities, and dust inhibitors (surfacing materials, non-saline dust suppressants, and water) could be used as necessary on unpaved collector, local and resource roads that present a fugitive dust problem. The use of chemical dust suppressants on BLM surface will require prior approval from the BLM authorized officer.

II Site specific mitigation measures

1. Archeological Monitoring: All earth moving activity in the following areas will be monitored by an archeologist who meets or exceeds the qualification standards recommended by the Secretary of the Interior. The Bureau has identified these areas as containing the potential for buried cultural deposits (areas containing deep alluvial deposits). The Bureau will require the submission of two copies of a monitoring report within 30 days of the completion of work.
 - a. All earth moving activities associated with the construction of the Tucked In and Spring Fever reservoirs, NE ¼ Section 5, T50N R75W
 - b. All earth moving activities within alluvial deposits of Fortification Creek in T50N R75W Sections 5 and 9. The determination of the exact monitoring areas is based on the discretion of the archeological monitor, although, all alluvial deposits within the creek bottom must be monitored.

2. All changes made at the onsite will be followed. They have all been incorporated into the operator's plan of development.
3. All permanent above-ground structures (e.g., production equipment, tanks, etc.) not subject to safety requirements will be painted to blend with the natural color of the landscape. The paint used will be a color which simulates "Standard Environmental Colors." The color selected for the Lottery POD is Carlsbad Canyon, 2.5Y 6/2.
4. The operator will follow the guidance provided in the Wyoming Policy on Reclamation (IM WY-90-231) specifically the following:
Reclamation Standards:
 1. The reclaimed area shall be stable and exhibit none of the following characteristics:
 - a. Large rills or gullies.
 - b. Perceptible soil movement or head cutting in drainages.
 - c. Slope instability on, or adjacent to, the reclaimed area in question.
 2. The soil surface must be stable and have adequate surface roughness to reduce runoff and capture rainfall and snow melt. Additional short-term measures, such as the application of mulch, shall be used to reduce surface soil movement.
 3. Vegetation canopy cover (on unforested sites), production and species diversity (including shrubs) shall approximate the surrounding undisturbed area. The vegetation shall stabilize the site and support the planned post disturbance land use, provide for natural plant community succession and development, and be capable of renewing itself. This shall be demonstrated by:
 - a. Successful onsite establishment of species included in the planting mixture or other desirable species.
 - b. Evidence of vegetation reproduction, either spreading by rhizomatous species or seed production.
 4. The reclaimed landscape shall have characteristics that approximate the visual quality of the adjacent area with regard to location, scale, shape, color and orientation of major landscape features and meet the needs of the planned post disturbance land use.
5. The operator will drill seed on the contour to a depth of 0.5 inch, followed by cultipaction to compact the seedbed, preventing soil and seed losses. To maintain quality and purity, the current years tested, certified seed with a minimum germination rate of 80% and a minimum purity of 90% will be used. On BLM surface or in lieu of a different specific mix desired by the surface owner, use the following:

Species	% in Mix	Lbs PLS*
<i>Western Wheatgrass</i> (<i>Pascopyrum smithii</i>) or <i>Thickspike Wheatgrass</i> (<i>Elymus lanceolatus</i> ssp. <i>lanceolatus</i>)	30	4.8
<i>Bluebunch Wheatgrass</i> (<i>Pseudoroegneria spicata</i> ssp. <i>Spicata</i>)	10	1.2
<i>Green needlegrass</i> (<i>Nassella viridula</i>)	25	3.0
<i>Slender Wheatgrass</i> (<i>Elymus trachycaulus</i> ssp. <i>trachycaulus</i>)	20	1.2
<i>Prairie coneflower</i> (<i>Ratibida columnifera</i>)	5	0.6

Species	% in Mix	Lbs PLS*
<i>White or purple prairie clover</i> (<i>Dalea candidum</i> , <i>purpureum</i>)	5	0.6
<i>Rocky Mountain beeplant</i> (<i>Cleome serrulata</i>) /or <i>American vetch</i> (<i>Vicia americana</i>)	5	0.6
Totals	100%	12 lbs/acre

This is a recommended seed mix based on the native plant species listed in the NRCS Ecological Site descriptions, U.W. College of Ag. and seed market availability.

6. Due to steep slopes and shallow soils, the pipeline corridor drainage crossing west of 7Lott will need additional soil amendments.
7. The Spring Fever impoundment proposed on the Love Land & Cattle Company surface can not be constructed until certification of a signed surface use agreement which authorizes construction of water management structure is provided to the Authorized Officer.
8. The location(s) of approximately 40' tall telemetry station antenna has not been approved. Prior construction of the antenna, a sundry of the proposal must be submitted and approved by the BLM.
9. Please contact Casey Freise Natural Resource Specialist, @ (307) 684-1189 Bureau of Land Management, Buffalo, if there are any questions concerning these surface use COAs.

Wildlife site specific mitigation measures

1. The Record of Decision for the Powder River Basin EIS includes a programmatic mitigation measure that states, "The companies will conduct clearance surveys for threatened and endangered or other special-concern species at the optimum time" (M32). The measure requires companies to coordinate with the BLM before November 1 annually to review the potential for disturbance and to agree on inventory parameters. Should this project not be completed by November 1, Yates will coordinate with the BLM to determine if additional resurvey will be required.
2. The contract biologist shall contact the BLM prior to initiating any wildlife surveys.
3. No surface disturbing activities are permitted in suitable mountain plover habitat (i.e. prairie dog colonies in Section 4) from March 15-July 31 annually, unless a mountain plover survey has been conducted during the current breeding season. This condition will be implemented on an annual basis for the duration of surface disturbing activities. This timing limitation will affect the following proposed wells and their associated infrastructure:

<i>Township/Range</i>	<i>Section</i>	<i>Affected Wells and Infrastructure</i>
T50N, R75W	4	JDS reservoir, access road from the JDS reservoir to 7LOTT well and the 6LOTT and 7LOTT wells.

The surveys will be conducted in suitable habitat (i.e. prairie dog colonies, roads, pipelines, reservoirs under construction and any short grass prairie area) throughout the entire project area.

- a. Mountain plover nesting surveys shall be conducted by a biologist following the most current U.S. Fish and Wildlife Service Mountain Plover Survey Guidelines (the survey period is May 1-June 15). All survey results must be submitted in writing to the BFO and approved prior to initiation of surface disturbing activities.

- b. If a mountain plover is identified, then a seasonal disturbance-free buffer of ¼ mile shall be maintained between March 15 and July 31. If no mountain plovers are identified, then surface disturbing activities may be permitted within suitable habitat until the following breeding season (March 15).
4. No surface disturbing activity shall occur within ½ mile of all identified raptor nests from February 1 through July 31, annually, prior to a raptor nest occupancy survey for the current breeding season. This condition will be implemented on an annual basis for the duration of surface disturbing activities. This timing limitation will affect the following proposed wells and their associated infrastructure:

<i>Township/Range</i>	<i>Section</i>	<i>Affected Wells and Infrastructure</i>
T50N, R75W	5	Pipeline corridor to the 9LOTT well.
T50N, R75W	8	10 LOTT well and its associated infrastructure.
T50N, R75W	9	Double Play, Triple Play, Last Shot Reservoirs, 11 LOTT and 13 LOTT and their associated infrastructure.

- a. Surveys to document nest occupancy shall be conducted by a biologist following BLM protocol, between April 15 and June 30. All survey results shall be submitted in writing to a Buffalo BLM biologist and approved prior to surface disturbing activities. Surveys outside this window may not depict nesting activity. If a survey identifies active raptor nests, a ½ mile timing buffer will be implemented. The timing buffer restricts surface disturbing activities within ½ mile of occupied raptor nests from February 1 to July 31.
 - b. Nest productivity checks shall be completed for the first five years following project completion. The productivity checks shall be conducted no earlier than June 1 or later than June 30 and any evidence of nesting success or production shall be recorded. Survey results will be submitted to a Buffalo BLM biologist in writing no later than July 31 of each survey year. Nests to be checked are within a ½ mile or less of the proposed development. The nests are listed below:

BLM ID#	Species	UTM	Legal location	substrate
New	RTHA	429339E, 4909043N	SESW Sec 4 T50N, R75W	Cottonwood tree live
New	UNK	428222E, 4908324N	SWNE Sec 8 T50N, R75W	Juniper tree live
New	UNK	428860E, 4907958N	NWSW Sec 9 T50N, R75W	Cottonwood tree live
3142	RTHA	429621E, 4907907N	NWSW Sec 9	Juniper tree live
New	UNK	427669E, 4907857N	NWSE Sec 9 T50N, R75W	Juniper tree live
New	UNK	428875E, 4907838N	NWSW Sec 9	Juniper tree live
New	UNK	429007E, 4907619N	SWSW Sec 9 T50N, R75W	Cottonwood tree live
3143	UNK	429279E, 4907614N	SESW Sec 9 T50N, R75W	Artificial nesting platform
New	UNK	428766E, 4907494N	SWSW Sec 9 T50N, R75W	Juniper live
3355	GHOW	427828E, 4907481	SESW Sec 8	Willow, live

- c. If an undocumented raptor nest is located during project construction or operation, the Buffalo Field Office (307-684-1100) shall be notified within 24 hours.
 - d. Well metering, maintenance and other site visits within 0.5 miles of raptor nests shall be minimized as much as possible during the breeding season (February 1 – July 31), and restricted to between 0900 and 1500 hours.
5. No surface disturbing activities are permitted within 2 miles of the following sage-grouse leks: Fortification, Montgomery, Hayden I, Hayden II, Hayden Sat A, and Hayden Sat B, between March 1 and June 15, prior to completion of a greater sage-grouse lek survey. This timing limitation will affect the following wells and infrastructure:

<i>Township/Range</i>	<i>Section</i>	<i>Affected Wells and Infrastructure</i>
T50N, R75W	3	1LOTT well and associated infrastructure.
T50N, R75W	4	Access road/pipeline to 6LOTT, JDS Reservoir
T50N, R75W	5	8LOTT and associated infrastructure, access road/pipeline to 6LOTT, Tucked In, Spring Fever reservoirs and 9LOTT and associated infrastructure.
T50N, R75W	8	10LOTT well and associated infrastructure.
T50N, R75W	9	12LOTT wells and associated infrastructure, Double Play and Triple Play Reservoirs and main road/pipeline to the 11 and 13 LOTT wells.

- a. If an active sage grouse lek is identified during the survey, the 2 mile timing restriction (March 1-June 15) will be applied and surface disturbing activities will not be permitted until after the nesting season. If surveys indicate that the identified lek is inactive during the current breeding season, surface disturbing activities may be permitted within the 2 mile buffer until the following breeding season (March 1). The required sage-grouse survey will be conducted by a biologist following the most current WGFD protocol. All survey results shall be submitted in writing to a Buffalo BLM biologist and approved prior to surface disturbing activities.
 - b. Creation of raptor hunting perches will be avoided within 0.5 mile of documented sage-grouse and sharp-tailed grouse lek sites. Perch inhibitors will be installed to deter avian predators from preying on sage-grouse.
 - c. The maximum width for the access road/ pipeline corridor from the 11LOTT to the 9LOTT well will not exceed 25 feet. The access road and pipeline corridor from 10 LOTT to the road leading to the main access road will not exceed 25 feet maximum disturbance width. Access road/pipeline from 13 LOTT to main access will not exceed 25 feet maximum disturbance width. Access road to the Tuff Stuff Reservoir will not exceed 25 feet maximum disturbance width. Access road to 1 LOTT and Spilt Finger reservoir will not exceed 25 feet maximum disturbance width. This will help to limit the loss of good sage grouse nesting habitat.
6. If a new sharp-tailed grouse lek is identified during the survey, the 0.67 mile timing restriction (March 1 to June 15) will be applied and surface disturbing activities will not be permitted until after the nesting season. If surveys indicate that the identified lek is inactive during the current breeding season, surface disturbing activities may be permitted within the buffer until the following breeding season. The required survey will be conducted by a biologist following the most current WGFD protocol. All survey results shall be submitted in writing to a Buffalo BLM biologist and approved prior to surface disturbing activities.

7. All other conservation measures and terms and conditions identified in the Powder River Basin Oil and Gas Project Biological Opinion shall be complied with.

III Standard Conditions of Approval

A. General

1. If any cultural values [sites, artifacts, human remains (Appendix L FEIS)] are observed during operation of this lease/permit/right-of-way, they will be left intact and the Buffalo Field Manager notified. The authorized officer will conduct an evaluation of the cultural values to establish appropriate mitigation, salvage or treatment. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized BLM officer (AO). Within five working days the AO will inform the operator as to:
 - whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
 - a time-frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction measures.
2. If paleontological resources, either large or conspicuous, and/or a significant scientific value are discovered during construction, the find will be reported to the Authorized Officer immediately. Construction will be suspended within 250 feet of said find. An evaluation of the paleontological discovery will be made by a BLM approved professional paleontologist within five (5) working days, weather permitting, to determine the appropriate action(s) to prevent the potential loss of any significant paleontological values. Operations within 250 feet of such a discovery will not be resumed until written authorization to proceed is issued by the Authorized Officer. The applicant will bear the cost of any required paleontological appraisals, surface collection of fossils, or salvage of any large conspicuous fossils of significant scientific interest discovered during the operation.
3. The operator shall restrict travel on unimproved two-track roads during periods of inclement weather or spring thaw when the possibility exists for excessive surface resource damage (e.g., rutting in excess of 4-inches, travel outside two-track roadway, etc.).
4. The first producing well drilled to each targeted coal zone will be designated as the POD "Reference Well". Reference wells will not be required for PODs within a 6 mile radius of the first reference well designated by the operator, nor for co-mingled coal zones. The designated reference well must be equipped to be sampled at the well head. A reference well sample will be collected from the wellhead and submitted for analysis; using the list of analytes identified in WDEQ WYPDES Application for Permit to Surface Discharge Produced Water from CBM New Discharges, Renewals, or Major Modifications, within 30 to 60 days of initial water production. Results of the analysis will be submitted to the BFO-

BLM authorized Officer as they become available.

5. By November 1 each year, companies will provide georeferenced spatial data depicting as-built locations of all facilities, wells, roads, pipelines, power lines, reservoirs, discharge points, and other related facilities to the BLM for all PODs where construction and development have been completed.
6. If any dead or injured threatened, endangered, proposed, or candidate species is located during construction or operation, the U.S. Fish and Wildlife Service's Wyoming Field Office (307-772-2374), their law enforcement office (307-261-6365), and the BLM Buffalo Field Office (307-684-1100) shall be notified within 24 hours. If any dead or injured sensitive species is located during construction or operation, the BLM Buffalo Field Office (307-684-1100) shall be notified within 24 hours.
7. Wildlife species are dynamic and new individuals may have moved into the Lottery POD area after the initial wildlife surveys were completed. The Record of Decision for the PRB FEIS includes a programmatic mitigation measure that states, "The companies will conduct clearance surveys for threatened and endangered or other special-concern species at the optimum time". The measure requires companies to coordinate with the BLM before November 1 annually to review the potential for disturbance and to agree on inventory parameters. Should this project not be completed by January 15, and surface disturbance is planned for that year, a Yates Petroleum company representative will coordinate with the BLM to discuss required surveys.
8. All other conservation measures and terms and conditions identified in the Powder River Basin Oil and Gas Project Biological Opinion (WY6633) shall be complied with.
9. If an undocumented raptor nest is located during project construction or operation, the Buffalo Field Office (307-684-1100) shall be notified within 24 hours.
10. All contractors will have a copy of the pod map and conditions of approval with them at all times.

B. Construction

1. A pre-construction field meeting shall be conducted prior to beginning any dirt work approved under this POD. The operator shall contact the BLM Authorized Officer Casey Freise @ 307-684-1189 at least 4-days prior to beginning operations so that the meeting can be scheduled. The operator is responsible for having all contractors present (dirt contractors, drilling contractor, pipeline contractor, project oversight personnel, etc.) including the overall field operations superintendent, and for providing all contractors copies of the approved POD, project map and BLM Conditions of Approval pertinent to the work that each will be doing.
2. The operator will limit vegetation removal and the degree of surface disturbance wherever possible. Where surface disturbance cannot be avoided, all practicable measures will be utilized to minimize erosion and stabilize disturbed soils.
3. Construction and drilling activity will not be conducted using frozen or saturated soil material during periods when watershed damage or excessive rutting is likely to occur.
4. Remove all available topsoil (depths vary from 4 inches on ridges to 12+ inches in bottoms) from constructed well locations including areas of cut and fill, and stockpile at the site. Topsoil will also be salvaged for use in reclamation on all other areas of surface disturbance (roads, pipelines, etc.). Clearly segregate topsoil from excess spoil material. Any topsoil

stockpiled for one year or longer will be signed and stabilized with annual ryegrass or other suitable cover crop.

5. The operator will not push soil material and overburden over side slopes or into drainages. All soil material disturbed will be placed in an area where it can be retrieved without creating additional undue surface disturbance and where it does not impede watershed and drainage flows.
6. Construct the backslope no steeper than 1½:1, and construct the foreslope no steeper than 2:1, unless otherwise directed by the BLM Authorized Officer.
7. Maintain a minimum 20-foot undisturbed vegetative border between toe-of-fill of pad and/or pit areas and the edge of adjacent drainages, unless otherwise directed by the BLM Authorized Officer.
8. With the overall objective of minimizing surface disturbance and retaining land stability and productivity, the operator shall utilize equipment that is appropriate to the scope and scale of work being done for roads and well pads (utilize equipment no larger than needed for the job).
9. To minimize electrocution potential to raptors, all overhead electrical power lines will be constructed to Avian Power Line Interaction Committee (1996) standards and additional standards identified in the PRB FEIS Biological Opinion (Volume 3, Appendix K, page 43).
10. The operator shall utilize wheel trenchers or ditchers to construct all pipeline trenches, except where extreme topography or other environmental factors preclude their use.
11. Reserve pits will be adequately fenced during and after drilling operations until pit is reclaimed so as to effectively keep out wildlife and livestock. Adequate fencing, in lieu of more stringent requirements by the surface owner, is defined as follows:
 - Construction materials will consist of steel or wood posts. Three or four strand wire (smooth or barbed) fence or hog panel (16-foot length by 50-inch height) or plastic snow fence must be used with connectors such as fence staples, quick-connect clips, hog rings, hose clamps, twisted wire, etc. Electric fences will not be allowed.
 - Construction standards: Posts shall be firmly set in ground. If wire is used, it must be taut and evenly spaced, from ground level to top wire, to effectively keep out animals. Hog panels must be tied securely into posts and one another using fence staples, clamps, etc. Plastic snow fencing must be taut and sturdy. Fence must be at least 2-feet from edge of pit. 3 sides fenced before beginning drilling, the fourth side fenced immediately upon completion of drilling and prior to rig release. Fence must be left up and maintained in adequate condition until pit is closed.
12. The reserve pit will be oriented to prevent collection of surface runoff. After the drilling rig is removed, the operator may need to construct a trench on the uphill side of the reserve pit to divert surface drainage around it. If constructed, the trench will be left intact until the pit is closed.
13. The reserve pit will be lined with an impermeable liner if permeable subsurface material is encountered. An impermeable liner is any liner having a permeability less than 10^{-7} cm/sec. The liner will be installed so that it will not leak and will be chemically compatible with all substances that may be put in the pit. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use. In gravelly or rocky soils, a suitable bedding material such as sand will be used prior to installing the liner.

14. The reserve pit will be constructed so that at least half of its total volume is in solid cut material (below natural ground level).
15. Culverts will be placed on channel bottoms on firm, uniform beds, which have been shaped to accept them, and aligned parallel to the channel to minimize erosion. Backfill will be thoroughly compacted.
16. The minimum diameter for culverts will be 18 inches. However, all culverts will be appropriately sized in accordance with standards in BLM Manual 9113.
17. Construction and other project-related traffic will be restricted to approved routes. Cross-country vehicle travel will not be allowed.
18. Maximum design speed on all operator-constructed and maintained roads will not exceed 25 miles per hour.
19. Pipeline construction shall not block nor change the natural course of any drainage. Pipelines shall cross perpendicular to drainages. Pipelines shall not be run parallel in drainage bottoms. Suspended pipelines shall provide adequate clearance for maximum runoff.
20. Pipeline trenches shall be compacted during backfilling. Pipeline trenches shall be routinely inspected and maintained to ensure proper settling, stabilization and reclamation.
21. During construction, emissions of particulate matter from well pad and road construction would be minimized by application of water or other non-saline dust suppressants with at least 50 percent control efficiency. Dust inhibitors (surfacing materials, non-saline dust suppressants, and water) will be used as necessary on unpaved roads that present a fugitive dust problem. The use of chemical dust suppressants on public surface will require prior approval from the BLM Authorized Officer.
22. Operators are required to obtain a National Pollution Discharge Elimination System (NPDES) Storm Water Permit from the Wyoming DEQ for any projects that disturb five or more acres (changing to one acre in March 2005). This general construction storm water permit must be obtained from WDEQ prior to any surface disturbing activities and can be obtained by following directions on the WDEQ website at <http://deq.state.wy.us>. Further information can be obtained by contacting Barb Sahl at (307) 777-7570.
23. The operator shall submit a Sundry Notice (Form 3160-5) to BLM for approval prior to construction of any new surface disturbing activities that are not specifically addressed in the approved APD or POD Surface Use Plan.
24. Weed educational material will be reviewed with operators during pre-construction on-site meetings with operators, subcontractors, and landowners and will also be attached to approved APDs and PODs.
25. Companies will contact the counties to pursue development of maintenance agreements to ensure county roads are adequately maintained for the projected increase in use.

C. Operations/Maintenance

1. The operator shall complete coal bed natural gas wells (case, cement and under ream) as soon as possible, but no later than 30 days after drilling operations, unless an extension is given by the BLM Authorized Officer.
2. If in the process of air drilling the wells there is a need to utilize mud, all circulating fluids will be contained either in an approved pit or in an aboveground containment tank. The pit or containment tank will be large enough to safely contain the capacity of all expected fluids

without danger of overflow. Fluid and cuttings will not be squeezed out of the pit, and the pit will be reclaimed in an expedient manner.

3. Confine all equipment and vehicles to the access road(s), pad(s), and area(s) specified in the approved APD or POD.
4. All waste, other than human waste and drilling fluids, will be contained in a portable trash cage. This waste will be transported to a State approved waste disposal site immediately upon completion of drilling operations. No trash or empty barrels will be placed in the reserve pit or buried on location. All state and local laws and regulations pertaining to disposal of human and solid waste will be complied with.
5. Rat and mouse holes shall be filled and compacted from the bottom to the top immediately upon release of the drilling rig from the location.
6. The operator will be responsible for prevention and control of noxious weeds and weeds of concern on all areas of surface disturbance associated with this project (well locations, roads, water management facilities, etc.) Use of pesticides shall comply with the applicable Federal and State laws. Pesticides shall be used only in accordance with their registered uses and within limitations imposed by the Secretary of Interior. Prior to the use of pesticides on public land, the holder shall obtain from the BLM authorized officer written approval of a plan showing the type and quantity of material to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the authorized officer to such use.
7. Sewage shall be placed in a self-contained, chemically treated porta-potty on location.
8. The operator and their contractors shall ensure that all use, production, storage, transport and disposal of hazardous and extremely hazardous materials associated with the drilling, completion and production of these wells will be in accordance with all applicable existing or hereafter promulgated federal, state and local government rules, regulations and guidelines. All project-related activities involving hazardous materials will be conducted in a manner to minimize potential environmental impacts. In accordance with OSHA requirements, a file will be maintained onsite containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds and/or substances which are used in the course of construction, drilling, completion and production operations.
9. Produced fluids shall be put in test tanks on location during completion work. Produced water will be put in the reserve pit during completion work per Onshore Order #7.
10. The only fluids/waste materials which are authorized to go into the reserve pit are RCRA exempt exploration and production wastes. These include:
 - drilling muds & cuttings
 - rigwash
 - excess cement and certain completion & stimulation fluids defined by EPA as exemptIt does not include drilling rig waste, such as:
 - spent hydraulic fluids
 - used engine oil
 - used oil filter
 - empty cement, drilling mud, or other product sacks
 - empty paint, pipe dope, chemical or other product containers
 - excess chemicals or chemical rinsate

Any evidence of non-exempt wastes being put into the reserve pit may result in the BLM Authorized Officer requiring specific testing and closure requirements.

11. Reserve pits will be closed as soon as possible, but no later than 90 days from time of drilling/well completion, unless the BLM Authorized Officer gives an extension. Squeezing of pit fluids and cuttings is prohibited. Pits must be dry of fluids or they must be removed via vac-truck or other environmentally acceptable method prior to backfilling, re-contouring and replacement of topsoil. Mud and cuttings left in pit must be buried at least 3-feet below re-contoured grade. The operator will be responsible for re-contouring any subsidence areas that develop from closing a pit before it is sufficiently dry.
12. Operators are advised that prior to installation of any oil and gas well production equipment which has the potential to emit air contaminants, the owner or operator of the equipment must notify the Wyoming Department of Environmental Quality, Air Quality Division (phone 307-777-7391) to determine permit requirements. Examples of pertinent well production equipment include fuel-fired equipment (e.g., diesel generators), separators, storage tanks, engines and dehydrators.
13. If this well is drilled during the fire season (June-October), the operator shall institute all necessary precautions to ensure that fire hazard is minimized, including but not limited to mowing vegetation on the access route(s) and well location(s), keeping fire fighting equipment readily available when drilling, etc.

D. Dry Hole/Reclamation

1. All disturbed lands associated with this project, including the pipelines, access roads, water management facilities, etc will be expediently reclaimed and reseeded in accordance with the surface use plan and any pertinent site-specific COAs.
2. Disturbed lands will be re-contoured back to conform with existing undisturbed topography. No depressions will be left that trap water or form ponds.
3. The fluids and mud must be dry in the reserve pit before re-contouring pit area. The operator will be responsible for re-contouring of any subsidence areas that develop from closing a pit before it is completely dry. The plastic pit liner (if any) will be cut off below grade and properly disposed of at a state authorized landfill before beginning to re-contour the site.
4. Before the location has been reshaped and prior to redistributing the topsoil, the operator will rip or scarify the drilling platform and access road on the contour, to a depth of at least 12 inches. The rippers are to be no farther than 24 inches apart.
5. Distribute the topsoil evenly over the entire location and other disturbed areas. Prepare the seedbed by disking to a depth of 4-to-6 inches following the contour.
6. Phased reclamation plans will be submitted to BLM for approval prior to individual POD facility abandonment via a Notice of Intent (NOI) Sundry Notice. Individual facilities, such as well locations, pipelines, discharge points, impoundments, etc. need to be addressed in these plans as they are no longer needed. Individual items that will need to be addressed in reclamation plans include:
 - Pit closure (Close ASAP after suitably dry, but no later than 90 days from time of drilling unless an extension is given by BLM Authorized Officer.) BLM may require closure prior to 90 days in some cases due to land use or environmental concerns.
 - Configuration of reshaped topography, drainage systems, and other surface manipulations

- Waste disposal
 - Revegetation methods, including specific seed mix (pounds pure live seed/acre) and soil treatments (seedbed preparation, fertilization, mulching, etc.). On private surface, the landowner should be consulted for the specific seed mix.
 - Other practices that will be used to reclaim and stabilize all disturbed areas, such as water bars, erosion fabric, hydro-mulching, etc.
 - An estimate of the timetables for beginning and completing various reclamation operations relative to weather and local land uses.
 - Methods and measures that will be used to control noxious weeds, addressing both ingress and egress to the individual well or POD.
 - Decommissioning/removal of all surface facilities
 - Closure and reclamation of areas utilized or impacted by produced CBM water, including discharge points, reservoirs, off-channel pits, land application areas, livestock/wildlife watering facilities, surface discharge stream channels, etc
7. BLM will not release the performance bond until all disturbed areas associated with the APD/POD have been successfully revegetated (evaluation will be made after the second complete growing season) and has met all other reclamation goals of the surface owner and surface management agency.
 8. A Notice of Intent to Abandon and a Subsequent Report of Abandonment must be submitted for abandonment approval.
 9. For performance bond release approval, a Final Abandonment Notice (with a surface owner release letter on split-estate) must be submitted prior to a final abandonment evaluation by BLM.
 10. Soil fertility testing and the addition of soil amendments may be required to stabilize some disturbed lands.
 11. Any mulch utilized for reclamation needs to be certified weed free.
 12. Waterbars are to be constructed at least one (1) foot deep, on the contour with approximately two (2) feet of drop per 100 feet of waterbar to ensure drainage, and extended into established vegetation. All waterbars are to be constructed with the berm on the downhill side to prevent the soft material from silting in the trench. The initial waterbar should be constructed at the top of the backslope. Subsequent waterbars should follow the following general spacing guidelines:

Slope (percent)	Spacing Interval (feet)
≤ 2 - 4	310
5 - 8	260
9 - 12	200

E. Producing Well

1. Landscape those areas not required for production to the surrounding topography as soon as possible. The fluids and mud must be dry in the reserve pit before re-contouring pit area. The operator will be responsible for re-contouring and reseedling of any subsidence areas that develop from closing a pit before it is completely dry.
2. Reduce the backslope to 2:1 and the foreslope to 3:1, unless otherwise directed by the BLM Authorized Officer. Reduce slopes by pulling fill material up from foreslope into the toe of cut slopes.
3. Production facilities (including dikes) must be placed on the cut portion of the location and a minimum of 15 feet from the toe of the back cut unless otherwise approved by the BLM Authorized Officer.
4. Any spilled or leaked oil, produced water or treatment chemicals must be reported in accordance with NTL-3A and immediately cleaned up in accordance with BLM requirements. This includes clean-up and proper disposition of soils contaminated as a result of such spills/leaks.
5. Distribute stockpiled topsoil evenly over those areas not required for production and reseed as recommended.
6. Upgrade and maintain access roads and drainage control (e.g., culverts, drainage dips, ditching, crowning, surfacing, etc.) as necessary and as directed by the BLM Authorized Officer to prevent soil erosion and accommodate safe, environmentally-sound access.
7. Prior to construction of production facilities not specifically addressed in the APD/POD, the operator shall submit a Sundry Notice to the BLM Authorized Officer for approval.
8. If not already required prior to constructing and drilling the well location, the operator shall immediately upgrade the entire access road to BLM standards (including topsoiling, crowning, ditching, drainage culverts, surfacing, etc.) to ensure safe, environmentally-sound, year-round access. This requirement does not supercede or apply where specific road requirements are addressed in the APD/POD surface use plan (e.g., two track road, spot upgrade, etc.)
9. Waterbars shall be installed on all reclaimed pipeline corridors per the guidelines in D #12.

Conditions of Approval for Coal Bed Methane Drilling and Production Operations

Buffalo Field Office

April 25, 2005

Well Control Equipment

The well control equipment approved in this project lists the minimum requirements.

Operators must run the blooie line a minimum of 30 feet from the well bore and securely anchor the line. The blooie line must be constructed from non-flammable material. The 30 foot length of line is a minimum and operators must make consideration for increasing this length for topography and/or wind direction. All cuttings and circulating medium will be directed and contained in a reserve or blooie pit.

The authorized officer may modify these requirements at any time if it is determined that increased pressure control is deemed necessary.

Casing Design

The minimum requirement for casing centralizers is as follows: all casing strings will have centralizers on the bottom three joints of the casing, i.e., a minimum of one centralizer per joint starting with the shoe joint. In addition, an operator will centralize the production casing string, usually 7", with API approved centralizers using the following specifications:

1. 9.75" hole - one centralizer per 100'
8.75" hole - one centralizer per 60'
2. One centralizer 25' above surface casing shoe

Surface casing length will follow current requirements set forth by the WOGCC. Increased surface casing may be required so that the surface casing shoe may be set into a competent formation.

Cementing of Casing

If there are indications of inadequate primary cementing of the surface, intermediate, or production casing strings, such as lost returns, cement channeling, or mechanical failure of equipment, the operator will evaluate the adequacy of the cementing operations. This evaluation will consist of pressure testing the casing shoe, running a cement bond log, cement evaluation tool log or a combination thereof. If the evaluation indicates inadequate cementing, the operator will be required to contact this office for approval of remedial cementing work. The operator will verify the adequacy of the remedial cementing operations as described above. We will require all remedial work to be completed before drilling out the casing shoe, or placing the well on production.

The cement will meet API standards and the mix water used must be the same water used to develop the cement program and be of adequate quality so as not to degrade the setting properties. Operators should avoid waters containing high carbonates or bicarbonates (greater than 2,000 ppm).

Production Equipment

All gas measurement equipment that deviates from Onshore Order #5 must be approved before installation and use. This includes any type of electronic flow computers or any primary device other than a standard orifice plate meter. Requests for a variance from Onshore Order #5 must list the specific type of equipment and how this equipment will meet or exceed the requirements of the order. Please include the requested location, specific wells, lease numbers, and locations.

Operators must install and operate all gas compression production equipment in a manner as not to allow the surface casing/tubing pressure to fall below atmospheric pressure. If it is the intent to operate your wells at less than atmospheric pressure you must obtain prior approval. An appropriate pressure gauge is required to be installed on each casing annulus to monitor this pressure.

Approval for other actions such as off lease measurement, commingling, allocations, etc. must be done through the Sundry Notice form (Form No. 3160-5). Submission of additional information in the POD should not be construed as permission for these items. If the operator wishes to utilize off lease gas measurement for wells approved in this POD, they are required to submit a Sundry Notice prior to any gas production. A map will need to be attached to the sundry that delineates where the individual wells will be measured for federal royalty. Unless this POD is committed to a Federal Oil & Gas Unit, the production from all Federal wells will be measured for Federal royalty prior to being combined with production from any other Federal, Indian, or non-Federal leases.

Well and POD Building Identification

From the time a well pad is constructed or a well is spudded (if no well pad needed), until abandonment, all well locations must be properly identified with a legible sign. The sign will include the well name and number, operator name, lease number, and the surveyed location. At each POD building site where federal wells are being metered, the operator is required to maintain a legible sign displayed in a conspicuous place. This sign is required to be in place at the time metering goes online. The sign must include: *POD name, Operator, Federal well names and numbers, Federal lease numbers being metered at the POD building, and surveyed location of the building.*

Protection of Fresh Water Resources

You will conduct all oil and gas operations in a manner so as to prevent the pollution of all freshwater resources. All fresh waters and waters of present or probable future value for domestic, municipal, commercial, stock, or agricultural purposes will be confined to their respective strata and will be adequately protected. Special precautions will be taken to guard against any loss of artesian water from the strata in which it occurs, and the contamination of fresh water by objectionable water, oil, condensate, gas, or other deleterious substance to such fresh water.

Locations with Multiple Wells

When drilling locations with multiple wells, the minimum distance between the wells shall be 50 linear feet. Additionally, the order in which the wells are drilled will be in accordance to their depth (from the deepest to the shallowest).